



601 E Street, NW
Washington, DC 20049

T 202-434-2277
1-888-OUR-AARP
1-888-687-2277
TTY 1-877-434-7598
www.aarp.org

September 21, 2012

VIA ELECTRONIC SUBMISSION
(With attachment)

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Universal Service Contribution Methodology, WC Docket No. 06-122
A National Broadband Plan for Our Future, GN Docket No. 09-51


Dear Ms. Dortch:

On Wednesday, September 19, Marti Doneghy, Senior Legislative Representative, AARP, met by phone with Michael Steffen, Wireline Counsel, Office of the Chairman, to discuss AARP's request for clarification on

During the meeting, Mr. Steffen affirmed that the Chairman has long been consistent that his goals to focus on broadband availability to deployment to adoption. And, further that the Chairman is committed to removing barriers that would hinder that goal.

AARP emphasized its strong and consistent support for broadband adoption as well. However, we stated, supporting broadband without expanding the contribution base to include broadband, one-way VoIP, text messaging, and enterprise services will lead to older households continuing to shoulder an unfair and an inequitable share of USF assessments. In fact, compared to younger households, older households currently subscribe to assessed wireless and wireline services at a higher rate, and to unassessed broadband service at a lower rate. AARP also emphasized that extending support to broadband without expanding the contribution to include broadband; text messaging, one-way VoIP, and enterprise services will also threaten the sustainability of the fund.

Respectfully submitted,


Marti Thomas Doneghy
Financial Security & Consumer Affairs
Government Affairs

AARP also emphasized that a revenue-based assessment approach is superior to numbers- or connection-based alternatives. AARP pointed to the importance of the Commission relying on empirical data regarding the jurisdictional nature of traffic. As reform moves forward, states must have the ability to pursue their own universal service programs, based on their ability to assess intrastate revenues. AARP also pointed to the importance of accountability of assessments as they appear on customer bills, so that consumers can identify both decreases and increases in assessments that appear on their monthly bills.

In order to support its position that broadband services should be assessed, AARP provided a summary of recent economic literature regarding the elasticity of broadband demand. This research shows that broadband demand services are now viewed as a household necessity, resulting in inelastic demand. This evidence of the inelasticity of demand for broadband supports the proposition that broadband services can be assessed without adversely affecting broadband subscription.

Respectfully submitted,

A handwritten signature in cursive script, reading "Marti Thomas Doneghy".

Marti Thomas Doneghy
Financial Security & Consumer Affairs
Government Affairs